



Ohio Revised Code

Section 3901.322 Procedure for violations.

Effective: March 17, 1989

Legislation: House Bill 875 - 117th General Assembly

(A) Whenever it appears to the superintendent of insurance that any person has committed or is about to commit a violation of section 3901.321 of the Revised Code or of any rule or order issued by the superintendent under that section, the superintendent may apply to the court of common pleas of the county in which the principal office of the domestic insurer is located, or the court of common pleas of Franklin county if the domestic insurer has no such office in this state, for either or both of the following:

(1) An order enjoining the person from violating or continuing to violate section 3901.321 of the Revised Code or any such rule or order;

(2) Other equitable relief as the nature of the case and the interests of the public or the domestic insurer's policyholders, creditors, and shareholders may require.

(B)(1) No security that is the subject of any agreement or arrangement regarding acquisition, or which is acquired or to be acquired, in contravention of section 3901.321 of the Revised Code or of any rule or order issued by the superintendent under that section may be voted at any shareholder's meeting, or counted for quorum purposes. Any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though such securities were not issued and outstanding. No action taken at any such meeting shall be invalidated by the voting of such securities, unless the action would materially affect control of the domestic insurer, or unless the courts of this state have so ordered.

(2) If a domestic insurer or the superintendent has reason to believe that any security of the domestic insurer has been or is about to be acquired in contravention of section 3901.321 of the Revised Code or of any rule or order issued by the superintendent under that section, the domestic insurer or the superintendent may apply to the court of common pleas of the county in which the domestic insurer has its principal place of business, or the court of common pleas of Franklin county if the domestic insurer's principal place of business is not in this state, for any or all of the following:



(a) An order enjoining any offer, request, invitation, agreement, or acquisition made in contravention of section 3901.321 of the Revised Code or any rule or order issued by the superintendent under that section;

(b) An order enjoining the voting of any security so acquired;

(c) An order voiding any vote of such security already cast at any meeting of shareholders;

(d) Such other equitable relief as the nature of the case and the interests of the public or the domestic insurer's policyholders, creditors, and shareholders may require.

(C) In any case where a person has acquired or is proposing to acquire any voting securities in violation of section 3901.321 of the Revised Code or any rule or order issued by the superintendent under that section, the court of common pleas of Franklin county or the court of common pleas of the county in which the domestic insurer has its principal place of business may, upon the application of the domestic insurer or the superintendent and such notice as the court finds appropriate, seize or sequester any voting securities of the domestic insurer owned directly or indirectly by such person, and issue an order with respect thereto as may be appropriate to effectuate the purposes of section 3901.321 of the Revised Code.

(D) Notwithstanding any other provisions of law, for the purposes of sections 3901.321 to 3901.323 of the Revised Code, the situs of the ownership of the securities of domestic insurers is deemed to be in this state.